

MANUFACTURING EXTENSION PARTNERSHIP

Success Stories from the Field

Michigan Seamless Tube LLC

Michigan Manufacturing Technology Center

Michigan Seamless Tube Weaves Continuous Improvement Seamlessly Throughout the Organization

Client Profile:

Michigan Seamless Tube is a highly specialized manufacturer of seamless mechanical and pressure tube for demanding industrial applications. Located in South Lyon, Michigan, Seamless products are used in a variety of industries such as automotive, oil field, steam and power generation, chemical processing and aerospace, and currently employs over 100 workers. Michigan Seamless was formed by Russ Maier, the former Chairman & CEO of Republic Engineered Steels, Inc., and Atlas Holdings LLC to acquire the fixed assets and intellectual property of Vision Metals, Inc.'s Michigan Specialty Tube Division, in October 2002.

Situation:

Michigan Seamless first heard about the Michigan Manufacturing Technology Center (MMTC), a NIST/MEP network affiliate, through a visit from the Michigan Economic Development Corporation (MEDC). After a meeting to discuss MMTC products and services, MMTC helped Michigan Seamless apply and receive an Economic Development Job Training (EDJT) grant to begin continuous improvement efforts in a variety of areas, including lean manufacturing and Activity Based Costing.

Solution:

During the course of the training program, Michigan Seamless was able to train employees on ISO 9001:2000 Internal Auditing, ISO/TS 16949 Internal Auditing, and many elements of lean manufacturing including 5S, a visual management system. Several kaizens were initiated, including two in non-traditional manufacturing settings: shipping and inside sales. The most recent kaizen, completed in February, identified almost \$400,000 in annual savings. The Activity Based Costing model helped Michigan Seamless to evaluate the current costing structure, develop an automated process to help in tracking, and better manage future work. The quoting structure for jobs is far more accurate and in some cases, higher than previously quoted. The difference is now Michigan Seamless has the supporting documentation to support price quotes.

Results:

- * Trained employees on 5S, a Visual Management System.
- * Trained Internal Auditors in ISO 9001:2000 and TS16949.
- * Identified annual savings of over \$385,000.
- * Won three awards after implementing improvements identified by MMTC.
- * Employee buy-in and support of internal change.

Testimonial:

www.mep.nist.gov



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"Michigan Seamless continues to pursue excellence and continuous improvement in their processes. The service from MMTC is top-notch, from the initial sales call to product delivery. Our experience has been positive and we have identified cost savings that more than cover any out of pocket expenses for MMTC services."

Paul Maier, CFO